



Reference No. 6.35

UNEMPLOYMENT, MAY 1976 PRELIMINARY ESTIMATES

MAIN FEATURES

- All estimates shown in this statement are based on a revised definition of unemployed persons (See paragraph 8 below). Estimates for periods prior to May 1976 based on the former definition can be found in issues of this and other labour force publications prior to May 1976.
- In May 1976 the estimated number of unemployed persons was 249,400 (4.1 per cent of the estimated labour force), 55,100 less than in February 1976. The figure includes persons looking for part-time work as well as those looking for full-time work.
- There were 131,600 unemployed males (3.3 per cent of the male labour force) and 117,900 unemployed females (5.6 per cent of the female labour force).
- Of persons in the labour force aged 15-19 years about one in eight was unemployed (12.5 per cent). The unemployment rate for persons aged 20 years and over was 3.0 per cent.

EXPLANATORY NOTES

Introduction

This statement contains preliminary unemployment estimates for Australia derived from the quarterly population survey. More detailed estimates are published each quarter in *The Labour Force (Preliminary)* (Reference No. 6.32) and *The Labour Force* (Reference No. 6.20).

The population survey

2. The survey is based on a multi-stage area sample of private dwellings (about 30,000 houses, flats, etc.) and non-private dwellings (hotels, motels, etc.) and covers about two-thirds of one per cent of the population of Australia. The information is obtained in February, May, August and November from the occupants of selected dwellings by carefully chosen and specially trained interviewers. Interviews are carried out during a period of four weeks, so that in each of the months to which the survey relates, there are four survey weeks, chosen so as to fall within the limits of the calendar month or with minimum encroachment into the adjacent months. Because of special circumstances interviewing in February 1976 commenced one week later than usual.

Definition

3. Estimates of unemployed persons published in previous issues of this statement and in other publications containing labour force estimates have been based on the following definition:

"All civilians aged 15 years and over who, during the whole of the week prior to the interview week, did no work at all and either:

- did not have a job or business and were actively looking for work (including those who stated that they would have done so if they had not (i) been temporarily ill, or (ii) believed no work was available, or (iii) already made definite arrangements to start in a new job in which they would have preferred to start during survey week) or
- had a job from which they were temporarily laid off without pay for the whole week".

4. Classification of a person as unemployed has depended on the answers given to a number of questions relating to the person's job-seeking activities during the survey week. For some time it has been apparent that for a number of reasons the questions being asked have lacked something in comprehensiveness and precision. In the first place they have allowed persons who had been actively looking for work in the survey week to be classified as unemployed, even though they may not in fact have been able to start work in that week had a job become available. For example, in November each year many persons who are about to leave schools, colleges, universities, etc. begin seeking work before they actually leave. On the other hand, persons who had been looking for work in the recent past but had for some reason not done so in the survey week have been excluded from the unemployed. Furthermore, persons who volunteered the information that they would have looked for work had they not believed that no work was available have been included. This introduced an element of subjective judgment on the part of the respondent, since no further questions were asked, for example, about any special restrictions that might apply to the kind of work being sought (e.g. work only between certain hours).

5. For these reasons additional questions were added to the labour force questionnaire in February 1975. They were designed to ascertain whether there were any persons who had taken active steps to find

work in the three weeks before the survey week (thereby extending the admissible job-seeking period from one week to four weeks) and whether those persons who were classified as actively looking for work would have been able to take a job in the survey week had one become available.

6. The advantage of this approach is that it removes almost all subjectivity from the unemployment measure. It makes no attempt to measure a person's "belief" about the non-availability of jobs. It recognises that not all legitimate job-seeking activities can be completed within a week (i.e. during the survey week), that job-seeking is not necessarily a continuous process and that some persons would not have looked for work during the survey week because they were awaiting the results of earlier actions. It determines that a person who has done nothing active to find a job during a period of four weeks, including registration with the Commonwealth Employment Service (unless prevented by temporary illness), has a very tenuous attachment to the labour force, and should not be regarded as unemployed.

7. Estimates of unemployed persons continued to be published on the basis referred to in paragraph 3 while the new questions were being tested, but additional estimates based on these questions were published quarterly as an Appendix to each issue of *The Labour Force* (Reference No. 6.20) from February 1975 to February 1976.

8. As from May 1976 the unemployment estimates derived from the population survey will be based on the revised definition below. Unemployed persons are now defined as all civilians aged 15 years and over who either:

- (a) during the survey week did not work and did not have a job, but could have taken one had it been available, and had been looking for full-time or part-time work in the four weeks up to and including the survey week (including persons who would have been prevented from taking a job in the survey week by their own temporary illness or injury, or by their having made arrangements to start after the survey week in a new job in which they would have preferred to start in the survey week) or
- (b) were waiting to be called back to a job from which they had been temporarily stood down without pay for four weeks or less (including the whole of the survey week).

9. The table in this statement contains estimates on the new basis for the period from February 1975 to May 1976.

Reliability of the estimates

10. Since the estimates are based on a sample, they may differ from the figures that would have been obtained from a complete census using the same questionnaires and procedures. There are about two chances in three that the differences would be less than 4,000 for total unemployed males, less than 3,500 for total unemployed females and less than 5,000 for total unemployed persons, and about nineteen chances in twenty that they would be less than twice these figures. Further details about the survey and the reliability of the estimates will be found in the quarterly bulletin *The Labour Force* (Reference No. 6.20).

Seasonal adjustment

11. All adjustment methods which compute seasonal factors as some average of the seasonal pattern for previous years are subject to inherent limitations when the pattern changes. The method currently used assumes that seasonal variations (such as those which occur each November when young people leave school and seek employment) are *proportional* to the level of the series. However, when the number of unemployed becomes exceptionally high this proportional relationship may change. If it does, the change cannot be accommodated quickly enough by the current seasonal adjustment method. Such a change has been occurring in recent quarters particularly in the persons aged 15-19 years looking for their first job component and as a result the seasonally adjusted total estimates for August 1975 are somewhat overstated while those for subsequent periods are understated. It is difficult in these circumstances to draw any reliable conclusions from the quarter to quarter movements in the seasonally adjusted total estimates after August 1975. Seasonally adjusted data for unemployed persons excluding those aged 15-19 years looking for their first job are not subject to the problems mentioned above to the same extent and are likely to be more reliable than those for total unemployed persons.

12. Estimates of unemployment on the revised basis have a different seasonal pattern from those on the old basis. Because only five quarterly figures on the revised basis are available it has been necessary to make special estimates for the seasonally adjusted series.

Comparability with Commonwealth Employment Service figures

13. The sample estimates will differ from the

number of persons registered with the Commonwealth Employment Service (CES) as not employed, awaiting placement in full-time employment, for a number of reasons, including the following:

- . The survey estimates include persons looking for *part-time* work as well as those looking for *full-time* work
- . they exclude persons who did any work at all during the survey week, even though they may subsequently have become unemployed and registered with the CES or have done so little work as not to lose eligibility for unemployment benefit
- . they represent *averages over a period* (see paragraph 2), whereas the numbers registered with the CES refer to a particular day at the end of the month
- . they are subject to sampling variability (see paragraph 10)
- . they include some unemployed persons (particularly females) who do not register with the CES
- . they exclude any persons registered as unemployed who find jobs but do not notify the CES at once that they have done so.

NOTE. Any discrepancies between totals and sums of components in the table are due to rounding.

NOTE. *Inquiries concerning these statistics may be made in Canberra by telephoning Mr Damien Power on 52 6503 or, in each State capital, by telephoning the office of the Australian Bureau of Statistics.*

UNEMPLOYED PERSONS (a) : AUSTRALIA

Month	Looking for		Aged 15-19 years		Aged 20 years and over ('000)	Total		Total excluding persons aged 15-19 years looking for first job		Per cent of labour force (b)			
	Full-time work ('000)	Part-time work ('000)	Looking for first job ('000)	Total ('000)		Original ('000)	Seasonally adjusted (c)(d) ('000)	Original ('000)	Seasonally adjusted (d) ('000)	Aged 15-19 years	Aged 20 years and over	Total	
												Original	Seasonally adjusted (d)
MALES													
1975 -													
February	141.3	10.4	16.4	46.1	105.7	151.7	126.0	135.3	114.5	12.2	3.0	3.9	3.2
May	121.5	10.3	9.0	34.2	97.5	131.8	143.1	122.8	125.3	9.3	2.8	3.4	3.7
August	116.7	9.8	8.4	36.2	90.2	126.4	152.1	118.0	133.7	10.2	2.6	3.3	3.9
November (e)	127.9	11.0	12.2	43.0	96.0	139.0	142.0	126.8	132.2	12.2	2.7	3.6	3.6
1976 -													
February †	147.0	12.4	17.4	51.3	108.2	159.5	132.4	142.0	120.1	13.1	3.0	4.0	3.4
May (f)	122.2	9.4	9.7	42.4	89.2	131.6	144.2	121.9	125.1	11.3	2.5	3.3	3.7
FEMALES													
1975 -													
February	99.6	40.6	19.4	53.7	86.5	140.1	112.2	120.7	96.3	15.4	5.0	6.8	5.5
May	81.4	39.4	13.8	41.9	78.8	120.7	129.3	106.9	108.7	12.5	4.6	5.9	6.2
August	81.7	35.6	15.9	45.4	72.0	117.4	143.6	101.5	118.4	13.8	4.2	5.7	6.9
November (e)	89.9	45.6	19.3	49.3	86.2	135.5	143.6	116.2	128.6	14.9	4.7	6.3	6.7
1976 -													
February †	96.0	49.1	22.7	56.8	88.3	145.0	116.4	122.3	97.7	16.2	4.9	6.7	5.5
May (f)	79.8	38.0	15.1	46.1	71.7	117.9	127.1	102.7	104.6	14.0	4.0	5.6	6.0
PERSONS													
1975 -													
February	240.9	51.0	35.8	99.8	192.1	291.8	236.6	256.0	209.9	13.7	3.6	4.9	4.0
May	202.9	49.7	22.8	76.2	176.4	252.5	271.1	229.7	232.5	10.9	3.4	4.2	4.5
August	198.4	45.4	24.3	81.6	162.2	243.8	301.6	219.5	256.2	11.9	3.1	4.1	5.1
November (e)	217.8	56.6	31.5	92.3	182.2	274.5	283.5	243.1	258.8	13.5	3.4	4.5	4.7
1976 -													
February †	243.0	61.6	40.1	108.1	196.5	304.5	246.8	264.3	216.6	14.6	3.7	5.0	4.1
May (f)	202.1	47.4	24.8	88.5	160.9	249.4	270.3	224.6	228.6	12.5	3.0	4.1	4.4

(a) Aged 15 years and over. For definition, see paragraph 8. (b) The number of unemployed in each group as a percentage of the labour force in the same group. (c) The method used in seasonally adjusting estimates for total unemployed persons is to adjust estimates for unemployed persons aged 15 to 19 years looking for their first job and estimates for the remainder of unemployed persons separately and to add the two figures to obtain total estimates for unemployed persons. Estimates for unemployed males and females are treated similarly. (d) Revised following annual re-analysis of the series. See also paragraphs 11 and 12. (e) The sample size was reduced for the November 1975 survey. Consequently the standard errors for estimates from that survey are larger than usual. For details see the November 1975 issue of *The Labour Force* (Reference No. 6.20). (f) Preliminary estimates, subject to revision.

† Affected by the deferral of the interviewing period by one week. It is estimated that had interviewing taken place in the normal period, the seasonally adjusted figure for total unemployed persons would have been higher by some 5,000 to 10,000.

R.W. COLE
Australian Statistician